

Program Letter

United States Railroad Retirement Board Office of Programs



Quality Reporting Service Center

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Letter No. 2007-01

Date: November 3, 2006

TO: Certification and Registration Contact Officials

SUBJECT: Summary of the Future Changes effective January 2008 in Service and Compensation and Related Reports

Please share this information with the appropriate members of your staff who file the following reports, as well as programming staff who support these functions.

- Form BA-3a/d, Annual Report of Creditable Compensation
 - Form BA-4, Report of Creditable Compensation Adjustments
 - Form BA-6a, Form BA-6 Address Report
 - Form BA-9, Report of Separation Allowance or Severance Pay
 - Form BA-10, Report of Miscellaneous Compensation and Sick Pay
 - Form BA-11, Report of Gross Earnings
 - Form GL-99, Deemed Service Month Questionnaire
 - Form UI-41a, Supplemental Report of Compensation
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Purpose

You previously received Program Letters No. 05-03, 05-06, and 06-03, dated December 10, 2005, March 29, 2005 and December 22, 2005, respectively, referring to the future changes in the forms listed above. The purpose of this letter is to summarize and consolidate that information and remind employers of the due date of the upcoming changes.

We are emphasizing this now in case you need to revise your systems that collect the data throughout the year so that changes can be in place by January 2007. The daily, monthly and annual maximum compensation amounts to be reported for 2007 may be obtained from our website, www.rrb.gov.

Scheduled Implementation

Annual reports for 2007 service and compensation must be reported using the new formats and revised forms effective January 2008. **Compliance with the new file formats is mandatory.**

Compensation Fields Are Expanded

The Tier I and Tier II compensation fields are being expanded to allow for earnings up to \$999,999.99 on all forms that ask for Tier I and Tier II compensation. Also, the Daily Pay Rate (DPR) field will be expanded to allow for a pay rate up to \$999.99/day on all forms that ask for the Daily Pay Rate amount. The DPR is required to ensure the Railroad Unemployment Insurance Act (RUIA) daily benefit amount is not understated for employees receiving sickness or unemployment benefits.

Additional Changes and Enhancements

We took advantage of this opportunity to include additional changes or enhancements while making needed changes to the reports to accommodate the increased field sizes. Some enhancements such as entering the employee's address on the BA-3 are "optional". You are not required to enter the data into the optional fields. However, these enhancements were developed because employers indicated their overall reporting burden would be reduced by including more information on the annual report rather than providing the information on a separate report or in response to individual requests.

- *Name and Date Formats*

In addition to the expanded field sizes, all employee name fields are being expanded and all date fields are being converted to use a four-digit year. The first and last names will allow for 15 and 20 characters, respectively. Years will be represented in the CCYY format; complete dates will be represented in the MMDDCCYY format.

- *New Service Month Codes - Optional*

Employers will have the option of reporting employment relation information on Form BA-3, Annual Report of Creditable Compensation, by using two new service month codes. Use of these codes will reduce the number of or eliminate **Forms GL-99, Employer's Deemed Service Month Questionnaire** being released to employers because the RRB will already have this information. This will reduce the manual burden on employers of responding to Form GL-99. The possible service month codes are:

1 = worked

8 = not worked but has employment relation

9 = not worked and has no employment relation

0 = not worked and employment relation is unknown

- *New RUIA II Compensation Field - Optional*

In addition to reporting RUIA compensation based on the creditable monthly maximum, employers will have the option of also reporting the RUIA compensation based on the monthly maximum benefit amount which is needed to determine the maximum amount of RUIA benefits payable. Use of this new field will reduce the number of or eliminate **Forms UI-41a, Supplemental Report of Compensation** being released to employers because the RRB will already have this information. This will reduce the manual burden on employers of responding to Form UI-41a as well as prevent delays of unemployment

and sickness benefits. A field for this new RUIA amount will also be added to Form BA-4 to allow the originally reported amount to be adjusted.

- *Address Information and Effective Date field on BA-3 - Optional*

Employers will have the option of reporting employee addresses and their effective date in the tape layout on Form BA-3. Employers can enter the addresses of newly hired employees as well as other employees' address changes at the same time they file the annual report. Submitting all this information at one time will help increase the accuracy and ensure the employee's address is current; reduce the burden on employers from completing another form (Form BA-6a, BA-6 Address Report) to report the addresses of new hires; and ensure Form BA-6, Certificate of Service Months and Compensation is mailed to the employee's current address.

- *Obsolescence of Forms*

Form BA-3a, Annual Report of Creditable Compensation will be obsolete. The new form will be Form BA-3 so there is no confusion in which form to file.

Form BA-3d, Annual Report of Creditable Compensation; Miscellaneous Compensation and Sick Pay will be obsolete. This information will be reported on the new Form BA-3.

Form BA-10, Report of Miscellaneous Compensation and Sick Pay will be obsolete. This information will also be reported on the new Form BA-3 and adjusted using Form BA-4.

Please see Attachment A, detailing the forms and the specific changes and enhancements. The chart also lists cross-references to the Program Letters that discuss each item.

Record Layouts/ Grand and Subtotal Records

The new record layouts can be found on the previous Program Letters 05-03, 05-06, and 06-03. You may obtain copies of these letters at www.rrb.gov. The grand and subtotal records were not included in the previous program letters so we are including them with this letter as Attachment B.

Paper Filers

The new paper forms with new and expanded fields will be made available by the fall of 2007. However, we will encourage those with 25 or more employees to file using an automated method. We will provide more information on options as we develop them.

RRB-developed Reporting Software on CD-ROM

As of January 1, 2008, the RRB-developed PC Reporting Program which the RRB distributed on CD-ROM (using Paradox) will be obsolete. We are exploring alternatives to that program that will comply with the new formatting requirements. We will keep you advised of our progress.

Test File Submissions Prior to January 2008

Employers who file their reports on magnetic tape cartridges **must** submit a Form BA-3 test file incorporating the new formats by June 30, 2007. Label the file "TEST FILE" and use 2006 as the report year. We will review the test file upon receipt and advise the contact person if it is formatted correctly and passes basic edits. Please provide a contact person by completing the enclosed **Contact Information Card**, Attachment C, and return it to the RRB by January 1, 2007. We encourage all employers who report on a cartridge tape, CD-Rom or diskette to submit a Form BA-3 test file prior to June 2007 to help avoid possible problems and/or delays with the production reports beginning January 1, 2008.

Employers may also submit test files for Forms BA-4, BA-6a, BA-9 and BA-11 prior to July 2007. We will also review these files for compliance with the new formats.

Questions

You may contact the Quality Reporting Service Center for the copies of the Program Letters or to ask questions about any information in this or previous program letters. The email address and telephone number are shown at the top of this letter.

Attachment A

Attachment B

Attachment C

RRB Program Letter 2007-01, Attachment A

Form	Type of Change, Enhancements
<p>Form BA-3, Annual Report of Creditable Compensation</p> <p>Refer to Program Letter 05-03</p>	<p>(a) FORM NAME CHANGE: Form BA-3 replaces Forms BA-3a and BA-3d.</p> <p>(b) YEAR FIELD IS EXPANDED TO 4 POSITIONS AND FORMATTED <u>CCYY</u>.</p> <p>(c) SURNAME FIELD IS EXPANDED TO 20 POSITIONS.</p> <p>(d) FIRST NAME FIELD IS EXPANDED TO 15 POSITIONS.</p> <p>(e) TIER I AND/OR TIER II FIELDS ARE EXPANDED TO 8 POSITIONS.</p> <p>(f) DAILY PAY RATE FIELD IS EXPANDED TO 5 POSITIONS.</p> <p>(g) NEW MISCELLANEOUS COMPENSATION FIELD - EXPANDED TO 8 POSITIONS (Form BA-10 obsolete).</p> <p>(h) NEW SICK PAY FIELD – EXPANDED TO 8 POSITIONS (Form BA-10 obsolete).</p> <p>(i) NEW EMPLOYEE ADDRESS FIELD - <i>OPTIONAL</i> <i>Note:</i> Employers who report on paper must submit Form BA-6a.</p> <p>(j) NEW EFFECTIVE DATE OF ADDRESS FIELD - <i>OPTIONAL</i> <i>Note:</i> Employers who report on paper must submit Form BA-6a. (The address effective date should reflect the date the employer recorded the address in their files. If the employer can not determine this date, the item should be left blank.)</p> <p>(k) NEW RUIA II COMPENSATION FIELD - <i>OPTIONAL</i></p> <p>(l) NEW STATUS CODES FOR SERVICE MONTH DETAIL - <i>OPTIONAL</i>* Use status codes 8 and/or 9 to report employment relation for non-work months</p> <p>(m) NEW RECORD LENGTH IS 300.</p> <p>* Please carefully review the instructions for this item.</p>
<p>Form BA-4, Report of Creditable Compensation Adjustments</p> <p>Refer to Program Letter 05-06</p>	<p>(a) FORM BA-3 CHANGES (b), (c), (d), (e), (f), (g), (h) and (k) LISTED ABOVE ARE ALSO CHANGING OR BEING ADDED TO FORM BA-4.</p> <ul style="list-style-type: none"> DAILY PAY RATE (DPR) EXCEPTION: You cannot adjust the DPR on Form BA-4. You can only enter the full DPR to report an employee who was omitted on the annual report. NEW OPTIONAL STATUS CODES FOR SERVICE MONTH DETAIL CANNOT BE ENTERED ON FORM BA-4: Status codes 8 and/or 9 cannot be reported on Form BA-4. Enter a “1” for every month to be increased or decreased. <p>(b) NEW RECORD LENGTH is 200.</p>

RRB Program Letter 2007-01, Attachment A

Form	Type of Change, Enhancements (cont.)
<p>Form BA-6a, Form BA-6 Address Report</p> <p>Refer to Program Letter 05-03</p>	<p>(a) FORM BA-3 CHANGES (c) and (d) LISTED ABOVE ARE ALSO CHANGING ON FORM BA-6a.</p> <p>(b) STREET ADDRESS FIELDS ARE EXPANDED TO 30 POSITIONS.</p> <p>(c) CITY FIELD IS EXPANDED TO 20 POSITIONS.</p> <p>(d) NEW EFFECTIVE DATE FIELD ON FORM BA-6a: See Form BA-3 enhancements above for detailed instructions on this item.</p> <p>(e) NEW RECORD LENGTH IS 180.</p>
<p>Form BA-9, Report of Separation Allowance or Severance Pay</p> <p>Refer to Program Letter 06-03</p>	<p>(a) FORM BA-3 CHANGES (b), (c), (d) and (e) LISTED ABOVE ARE ALSO BEING CHANGED ON FORM BA-9.</p> <p>(b) TIER II TAXABLE COMPENSATION AND CREDITABLE COMPENSATION FIELDS ARE EXPANDED TO 8 POSITIONS.</p> <p>(c) THE DATE RIGHTS RELINQUISHED AND CREDITABLE YEAR HAVE BEEN CHANGED TO REFLECT A CCYY FORMAT FOR THE YEAR.</p> <p>(d) NEW RECORD LENGTH IS 120.</p>
<p>BA-10, Report of Miscellaneous Compensation and Sick Pay</p>	<p>(a) FORM BA-10 WILL BECOME OBSOLETE. Miscellaneous and Sick Pay information will be reported on Form BA-3, Annual Report of Creditable Compensation, and adjusted on Form BA-4, Report of Creditable Compensation Adjustments.</p>
<p>Form BA-11, Report of Gross Earnings</p> <p>Refer to Program Letter 06-03</p>	<p>(a) FORM BA-3 CHANGES (b), (c) and (d) LISTED ABOVE ARE ALSO BEING CHANGED ON FORM BA-11.</p> <p>(b) NEW RECORD LENGTH IS 120.</p>

Form BA-3 Total and Subtotal Records

1-10	8888888888
11-15	“GRAND” (or “SUBTO”)
16-22	item count
23-35	total ruia-1 (creditable amount)
36-48	total ruia-2 (maximum benefit amount)
49-61	total tier 1
62-74	total tier 2
75-87	total misc comp
88-100	total sick pay
101-300	filler

Form BA-4 Total and Subtotal Records

1-10	8888888888
11-15	“GRAND” (or “SUBTO”)
16-22	item count
23-35	total decrease ruia-1 (creditable amount)
36-48	total increase ruia-1 (creditable amount)
49-61	total decrease ruia-2 (maximum benefit amount)
62-74	total increase ruia-2 (maximum benefit amount)
75-87	total decrease tier 1
88-100	total increase tier 1
101-113	total decrease tier 2
114-126	total increase tier 2
127-139	total decrease misc comp
140-152	total increase misc comp
153-165	total decrease sick pay
166-178	total increase sick pay
179-200	filler

RRB Program Letter 2007-01, Attachment C

CONTACT INFORMATION CARD

Contact Name: _____

Telephone Number: _____

E-mail address: _____ BA# _____

Release date of Test File: _____

Please remember to label the file "TEST FILE" and use 2006 as the report year.

Return this card to the Railroad Retirement Board, 844 N. Rush, QRSC, Chicago, IL. 60611
by January 1, 2007.

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